

Message Text

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PAGE 01 DAKAR 05602 021204Z

73

ACTION AF-06

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E.O. 11652: N/A

TAGS: EGEN, ELAB, SG

SUBJ: PRESIDENT SENGHOR ADDRESSES NATIONAL LABOR CONGRESS

1. SUMMARY: PRESIDENT SENGHOR USED OCCASION OF HIS SPEECH OPENING SECOND NATIONAL CONGRESS OF SENEGALESE NATIONAL LABOR CONFEDERATION (CNTS) TO MAKE MAJOR ECONOMIC ADDRESS. HE TOUCHED ON TERMS OF TRADE, INFLATION, AND NEW INTERNATIONAL ECONOMIC ORDER AS WELL AS DOMESTIC MATTERS SUCH AS GAP BETWEEN HIGHEST AND LOWEST PAID SALARIED WORKERS, AGRICULTURAL OUTLOOK, PER CAPITA INCOME, AND NEED FOR SENEGAL TO GET AWAY FROM AID-RECIPIENT MENTALITY WHICH LOOKS ABROAD FOR DEVELOPMENT INITIATIVE. END SUMMARY.

2. PRESIDENT SENGHOR ADDRESSED OPENING SESSION OF SENEGALESE NATIONAL LABOR CONFEDERATION (CNTS) SECOND NATIONAL CONGRESS, HELD IN DAKAR AT UPS PARTY HALL SEPT 26-27. HE USED OCCASION TO MAKE MAJOR ECONOMIC ADDRESS.

3. TAKING AS HIS DEPARTURE POINT RAPID RISE IN PRICES FOLLOWING 1973 MIDDLE EAST WAR, PRESIDENT CITED STATISTICS THAT SENEGAL'S EXPORTS HAD RISEN SOME 57 PERCENT IN AVERAGE VALUE SINCE OCTOBER 1973, WHILE COUNTRY'S IMPORTS HAD GONE UP 196

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PAGE 02 DAKAR 05602 021204Z

PERCENT. THE GOS HAD, OVER SAME PERIOD, RAISED MINIMUM WAGE

BY 90 PERCENT, WITH HIGHER PAID EMPLOYEES ENJOYING ONLY
16 PERCENT RAISE.

4. CITING STATISTICS IN CURRENCT CFA FRANCS, PRESIDENT
NOTED THAT SENEGAL'S GROSS DOMESTIC PRODUCE (GDP) HAD RISEN
FROM 160.7 BILLION FRANCS AT INDEPENDENCE IN 1960
TO 279.73 BILLION IN 1974. PER CAPITA INCOME HAS RISEN
FROM 207 DOLLARS IN 1960 TO 266 DOLLARS IN 1974/ GOS HAS SET
TARGET PER CAPITA INCOME FOR YEAR 2000 OF 600 DOLLARS. PRESI-
DENT SENGHOR ADMITTED THAT PURCHASING POWER OF AVERAGE SEME-
GALESE HAS DECLINED IN REAL TERMS, AS PER CAPITA GNP HAS NOT MET
PACE OF INFLATION. HE CITED, HOWEVER, STATISTICS SHOWING THAT PER
CAPITA GNP IN EUROPE HAS ALSO DECLINED OVER PAST YEAR.

5. PRESIDENT CLAIMED INCREASE IN NUMBER OF WAGE EARNERS FROM
1972'S 132,500 TO 149,500 IN 1974. HE MINIMIZED GOVERN-
MENT'S OFFICIAL UNEMPLOYMENT STATISTICS OF 27,162 BY CLAIMING THAT
ONLY 3,517 OF THEM WERE "REALLY" UNEMPLOYED, REMAINDER BEING
RURAL FARMERS WHO HAVE DRIFTED INTO CITIES.

6. ON MORE HOPEFUL NOTE, PRESIDENT SENGHOR OBSERVED THAT
THIS YEAR'S RAINS HAVE BEEN GOOD. LAST YEAR'S MILLET (SENEGAL'S
BASIC FOOD GRAIN) HARVEST WAS RECORD 700,000 METRIC TONS,
AND PREDICTIONS FOR THIS YEAR'S PEANUT AND MILLET HARVESTS
VERY OPTIMISTIC. INDUSTRIAL OUTPUT HAS RISEN ROUGHLY 6 PER-
CENT PER YEAR SINCE 1972, AND NATIONAL FISHING CATCH HAS RISEN
TO 340,000 TONS IN 1974.

7. CITING GROUP OF 77 CONFERENCES IN ALGIERS, DAKAR,
AND LIMA, HE DISCUSSED THIRD WORLD EFFORTS TO IMPROVE
TERMS OF TRADE WITH INDUSTRIALIZED WORLD. HE STRESSED THAT SECOND
SPECIAL UN SESSION ON RAW MATERIALS "WAS NOT A FAILURE". PARTICI-
PANTS ARRIVED AT "DYNAMIC COMPROMISE" WHICH WILL PERMIT
REVIVAL OF FRENCH-PROPOSED PARIS CONFERENCE TO EXAMINE
ENERGY, RAW MATERIALS, AND DEVELOPMENT.

8. PLANS ARE UNDERWAY TO BRING SOME 500,000 HECTARES UNDER
IRRIGATED, MECHANIZED FARMING OVER NEXT 25 YEARS WITHIN FRAME-
WORK OF OMVS AND PARALLEL ORGANIZATION WITH GAMBIA.
OUTPUT FROM THIS MECHANIZED AGRICULTURE SHOULD SURPASS PRESENT
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PAGE 03 DAKAR 05602 021204Z

PRODUCTION OF 2 1/2 MILLION HECTAREU UNDER RAINFALL CULTI-
VATION. SENGHOR RESTATED PLANS CALLING FOR OPENING OF SECOND
PHOSPHATE MINE AT TOBENE, EXPLOITATION OF IRON ORE DEPOSITS IN
SOUTH, AND DEVELOPMENT OF FREEPORT INDUSTRIAL ZONE.

9. SPEAKING OF RANGE OF HIGHEST TO LOWEST SALARIES IN SENEGAL,
PRESIDENT SENGHOR SAID GAP HAS BEEN REDUCED TO 1 TO 20 RATIO.
SCALE IS DISTORTED BY HIGH SALARIES PAID TO HEADS OF PARA-STATAL

COMPANIES. HE SAID THAT THESE "EXHORBITANT" SALARIES WILL BE "STUDIED," IMPLYING THAT SOME REDUCTION IS IN STORE. RIGOROUS MANAGEMENT HAS REDUCED DEFICITS OF PUBLIC (GOVERNMENT-OWNED) CORPORATIONS FROM 960 MILLION CFA IN 1971 TO 107.8 MILLION CFA IN 1974.

10 . PRESIDENT SENGHOR SAID THAT SENEGALESE MUST RID THEMSELVES OF OLD, COLONIZED MENTALITY WHICH WAS THAT OF PEOPLE ALWAYS IN NEED OF ASSISTANCE FROM ABROAD. SENEGALESE MUST TWKE INITIATIVE AND RUN THEIR OWN AFFAIRS IN RATIONAL WAY.

11. EMBASSY COMMENT: PRESIDENO SENGHOR'S SPEECH WAS SOLID, REALISTIC PRESENTATION. SENEGAL'S RECOVERY FROM 1973'S ECONOMIC DIFFICULTIES HAS BEEN STRONG -- IN PART DUE TO FAVORABLE RAINFALL, BUT SOME CREDIT MUST GO TO GOS POLICIES WHICH HAVE BROUGHT CONSUMER VRICES IN LINE WITH COSTS AND GIVEN GOVERNMENT, GREATER SHARE OF COUNTRY'S EARNINGS FROM MAJOR EXPORTS. DROUGHT AND RISE IN PETROLEUM PRICES FORCED GOS OFFICIALS TO REORIENT THEIR DEVELOPMENT PLANS WITH VIEW TO IMPROVING LIVING STANDARD OF RURAL FARMERS. RESULTS OF THIS REORIENTATION, AS WELL AS GOOD RAINFALL, ARE BEING FELT THROUGHOUT ECONOMY. AGGREY

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